

# SCHLACK ITO LOCKWOOD PIPER & ELKIND

A LIMITED LIABILITY LAW COMPANY

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February 2, 2010

The Honorable Chairman and Members  
State of Hawaii Public Utilities Commission  
465 South King Street, Room 103  
Kekuanaoa Building  
Honolulu, HI 96813

FILED  
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PUBLIC UTILITIES  
COMMISSION

Re: Docket No. <sup>2009</sup>~~2008~~-0108: Proposed Amendments to IRP Framework  
Identification of Witnesses for February 8 – 11, 2010 Panel Hearing

Honorable Chairman and Members of the Commission:

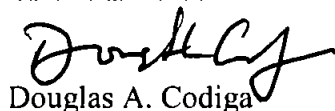
On behalf of Blue Planet Foundation ("Blue Planet"), this responds to the Commission's request for information concerning witnesses for the above-referenced Panel Hearing. The Commission's Order Establishing Hearing Procedures filed January 28, 2010 requests the name, title and curriculum vitae of each person who may appear for each panel on behalf of a party and identifies five panels and closing arguments. *Id.* at 3. Blue Planet hereby designates Mr. Michael E. Champley as its witness for Panels I-V of the hearing. Mr. Champley is the founder and principal of Kahakuloa Energy Advisors, LLC. A copy of Mr. Champley's curriculum vitae is enclosed. The undersigned counsel will appear on behalf of Blue Planet for any legal questions and the closing argument.

This letter is being served on the date of this letter (i) by electronic transmission to all parties on the service list in this docket, and (ii) by first class mail to the Division of Consumer Advocacy (2 copies), the State of Hawaii Department of Business, Economic Development, and Tourism (1 copy), and the HECO Companies (1 copy).

Thank you for your attention to the foregoing.

Very truly yours,

SCHLACK ITO LOCKWOOD PIPER & ELKIND  
A LIMITED LIABILITY LAW COMPANY

  
Douglas A. Codiga

DAC:kmc  
cc: Service List  
Encl.

## **Michael E. Champley**

### **Kahakuloa Energy Advisors, LLC**

P.O. Box 871, Wailuku, HI 96793

Phone: (808) 463-7630; E-mail: [champleym@hotmail.com](mailto:champleym@hotmail.com)

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### **Senior Energy Consultant**

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Energy consultant and retired senior utility executive officer with extensive and varied industry experiences and accomplishments. Excels in analyzing, integrating and managing complex economic, public policy and operational issues confronting an evolving energy utility industry. Experience and expertise spans corporate and financial planning, regulatory and customer relations, utility operations and performance management, building non-regulated businesses and acquiring/divesting businesses and major corporate assets.

#### **Professional Expertise:**

Strategic Planning & Leadership  
Financial Analysis & Knowledge  
Federal & State Regulation  
Expert Witness & Policy Advocacy

Energy Markets Knowledge  
Bulk Power Supply Operations  
Renewable Energy Integration  
Integrated Resource Planning

Ancillary Services  
Transmission Infrastructure  
Distribution Operations  
Demand Side Management

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### **Career Highlights**

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#### **Power Supply Planning & Operations**

- Managed DTE's electric power supply planning and dispatch operations during the turbulent transition to competitive wholesale electric markets, successfully navigating capacity shortfalls, ISO formations, evolving business practices and electric and fuel price volatility
- Addressed NERC reliability concerns about limited transmission import capacity into Michigan's Lower Peninsula and generation reserve margins
- Adapted Integrated Resource Planning process to evolving renewable energy and energy efficiency resource options and environmental compliance requirements

#### **Wholesale Energy Markets**

- Presided over creation and early development of DTE's wholesale power trading affiliate including implementation of credit and risk management policies and procedures
- Modified the dispatch of DTE's pump storage generation facility to reflect new location marginal pricing (LMP) regime and provision of ancillary services
- Managed the functional separation of DTE's joint merchant (generation) and transmission operations pursuant to FERC code of conduct regulations

#### **Industry Restructuring**

- Shaped Michigan's policy debate that reversed 2000 electric restructuring and led to enactment of the 2008 "Clean, Renewable and Efficient Energy Act"
- Managed termination of Michigan power pool in preparation for Michigan electric restructuring and formation of Midwest ISO
- Instrumental in developing the 2000 electric restructuring legislation in Michigan that enabled financial securitization of \$1.8 billion of stranded assets

<b>Customer Energy Marketing</b>	<ul style="list-style-type: none"> <li>▪ Developed and negotiated first long-term utility sole-supplier special contracts with Big Three Automakers which subsequently were duplicated by other utilities</li> <li>▪ Managed implementation of DTE's initial DSM program which resulted in DSM shareholder incentive payouts</li> <li>▪ Created DTE's Energy Partnership Program which makes available full-time on-site utility energy consultants to major commercial and industrial customers</li> </ul>
<b>Regulatory Strategy</b>	<ul style="list-style-type: none"> <li>▪ Developed and implemented regulatory strategy for spin-off of DTE's transmission assets, a precedent setting transaction for the utility industry</li> <li>▪ Developed and executed regulatory strategies that yielded \$2.0 billion in rate increases for Detroit Edison and Michigan Consolidated Gas from 2003 – 2006</li> <li>▪ Instrumental in negotiating a major rate case settlement agreement which resolved nuclear plant investment prudence issues and included a multi-year base rate and fuel clause freeze which enabled DTE to earn 15 – 20% ROEs</li> </ul>
<b>Utility Performance Management</b>	<ul style="list-style-type: none"> <li>▪ Led and/or championed major corporate cost reduction and performance improvement programs in preparation for industry restructuring</li> <li>▪ Served as change leader in restructuring major utility operations to implement strategic re-alignments, reduce costs, improve performance and install major computer system upgrades</li> </ul>

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## Professional Experience

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### **Kahakuloa Energy Advisors, LLC, Ann Arbor, MI & Wailuku, HI.....2007 - Present**

Advise clients on strategic, regulatory policy and operational issues primarily related to clean energy resource integration. Clients include independent electric transmission companies, electric utilities and energy and environmental policy advocacy groups. Recent projects include: participation in various Hawaii PUC dockets relative to Hawaii's Clean Energy Initiative implementation, review of mainland ancillary service requirements and product offerings and principal author of a published study which evaluated various electric market structures and regulatory policies relative to their impact on the implementation of Michigan's 21<sup>st</sup> Century Energy Plan. Current research includes identifying and modifying regulatory policies and utility operating practices that impede integration of renewable energy, demand response and energy efficiency resources.

### **DTE Energy, Detroit, MI..... 1971 - 2006**

#### **Senior Vice President-Regulatory Affairs (2002 – 2006)**

Responsible for developing and executing state and federal regulatory strategies for Detroit Edison Company, Michigan Consolidated Gas Company and other DTE Energy affiliates and managing relationships with the Michigan Public Service Commission and Federal Energy Regulatory Commission. Frequent interactions required with legislators, intervenors, rating agencies and security analysts.

### **Senior Vice President-Power Supply (1997 – 2002)**

Responsible for short and long-term power supply activities including bulk power transmission, generation dispatch, wholesale power contract procurement and sales and capacity needs assessments. This also included establishing and subsequent oversight of DTE Energy's power marketing affiliate.

### **Vice President-Marketing (1992 – 1997)**

Responsible for retail marketing and sales activities including customer research, demand-side management program development and execution and managing major customer relationships. Roles subsequently broaden to include wholesale customer and market activities, transmission operations and integrated resource planning.

### **Various Operations, Planning, Financial and Regulatory Positions (1971 – 1992)**

Hired as an electrical engineer and subsequently held a number of positions of increasing responsibility in regulatory, financial and corporate planning functions as well as a number of development assignments in Nuclear Generation, Distribution Operations, Supply Chain and Information Technology.

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## **Public Service**

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**Board of Trustees, Landmark College, Putney, VT.....2007 - Present**

Landmark College is devoted exclusively to the education of students with learning disabilities; Co-Chair of Audit and Finance Committees.

**City of Brighton, MI.....1984 - 1991**

Elected to City Council and served as Mayor Pro Tem, effectively served as a water and wastewater utility planning committee; also appointed to Planning Commission and served as Chairman

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## **Education**

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### **Doctorial Course Work – Indiana University**

Emphasis: Public Utility Economics and Regulation, Associate Instructor in School of Business

### **Master of Business Administration – Indiana University**

Emphasis: Finance and Public Utility Economics and Regulation

Internship with Bloomington, IN municipal water and wastewater utility, prepared economic and rate studies for major system expansions; Internship with CPA firm, prepared cost of service and rate design studies for various municipal water and wastewater utility clients

### **Bachelor of Science Engineering - University of Dayton**

Emphasis: Electrical Engineering; Student Engineer at Dayton Power & Light Company